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## THE BUREAU OF MUNICIPAL RESEARCH

BY HENRY BRUÈRE

*Director of the Bureau*

The Bureau of Municipal Research is an exponent of the inductive method applied to political science. In its point of view and method it is opposed to a static conception of political principles and ideals, and it aims through its activity at a new interpretation, on the basis of experience and contemporary social conditions, of governmental ideals. It sees in the science of government an opportunity of continuous interest for democracy, and urges a recognition of the existence of a science of government outside the colleges and universities. The Bureau of Municipal Research is not concerned with traditional concepts of governmental relations, but it is continuously and actively interested in present community needs to which government is, or may be related, and the performances of government with respect to the satisfaction of those needs. It seeks to awaken popular intelligence, not about political principles, but with respect to current acts and omissions of governmental agencies. It is fighting for the realization of the philosophical concept of a robust, real democracy and an equality of opportunity, by securing an efficient discharge of the community business.

The method of the Bureau is:

1. To study governmental problems through scientific analysis of community needs, governmental functions, legislative and administrative procedure and transactions.
2. By continuous iteration, publication, reiteration and republication of facts concerning governmental problems, methods, official acts, results and omissions, to focus public attention on current happenings and to educate continuous interest in the common business of the community.
3. Correction of defects of government, stimulation of official activity, and checking of abuses by publicity of facts and constructive improvement of administrative methods in coöperation with public officials.

In its intensive studies of governmental conditions in New York City, the Bureau has found that *permanent* improvement in the administration of a city can be secured only through an improvement in methods which government employs in the performance of its functions. It has shown conclusively that methods prevailing in the conduct of the city's business, continuing through reform as well as Tammany administrations, did not stop breeding neglect, waste and corruption, merely because of a change in the educational acquirements, cut of clothes or moral purposes of a head of a department. In other words, it has demonstrated the fallacy of an assumption, still cherished by the so-called respectable elements in cities, that the bottom cause of bad government in America is the election and appointment of bad officials.

None of the constructive improvements in municipal administration undertaken the past three years under Mayor McClellan and Comptroller Metz was impossible of at least a beginning during the administrations of so-called reform mayors and comptrollers. The very fundamental steps necessary to insuring an efficient administration were ignored during the periods of reform. The fact that constructive reorganization of municipal business methods has been begun during Mayor McClellan's administration and was not begun by Mayor Low, sets up no test of the comparative personal efficiency of these officials, but it does show, and we think conclusively, that indispensable to a permanent improvement in municipal affairs is continuous permanent effort, supported by continuous citizen interest, independent of the accidents of elections and which no change of administrations may subvert.

The instrument through which the work of the Bureau of Municipal Research is done is a staff of forty members,—trained social workers, expert accountants and investigators, the cost of whose service will exceed \$90,000 for this year. Begun in New York City in 1906 as a local citizens' movement, the Bureau has developed into national proportions. Similar activity under the direction of the New York Bureau has been initiated in Philadelphia and Memphis, and plans are now being made for inaugurating intensive study of municipal problems in Cincinnati, Atlanta and Milwaukee. The activities of the Bureau are entirely non-partisan in purpose. It represents no special interest, but seeks to represent every member of the community whose interest is as broad as the community itself.

The first problem of the Bureau of Municipal Research at its inception was to secure the regular registration and publication of essential facts respecting the conduct of departmental business, as a basis for popular judgment of the efficiency of current administration. From time to time, in the past, exposés have been made of certain aspects of departmental waste and corruption, but only when conditions became so acute as to focus public attention upon manifestations of official incompetence. The remedy usually proposed, and sometimes followed, was the removal of an official supposedly responsible, a course followed by a relapse into indifference, after the appointment of a presumably respectable successor, until a new crisis developed.

Such has been New York City's experience, for example, in the administration of its department of street cleaning. A tradition exists in New York that some time, now years, ago, during a reform administration, the streets of the city were kept immaculate, and the department's business was conducted irreproachably, under the leadership of a commissioner whose name became a synonym of efficiency. Since the days of this exalted administrator, the department has successively passed into the hands of "bad" and "good" officials. During the Van Wyck administration, when a district leader was elevated to the position of street cleaning commissioner, conditions became so bad that in 1902 public discontent resulted in the appointment of a commissioner whose energy and ability had been demonstrated in the Spanish war.

As a mark of reformation from earlier Tammany methods, Mayor McClellan on taking office in 1904 continued this reform commissioner. In 1906 the Bureau, in seeking to learn the cost of cleaning New York's streets and other elementary facts regarding the administration of the street cleaning department, discovered that during the entire term of the reform commissioner, no report had been issued from which these facts could be learned. A brief investigation by the Bureau led to an official investigation which, a few months later, was followed by the retirement of the reform commissioner. Reaction followed, and an executive was appointed whose personal virtues no one proclaimed. The disorganization developed in his administration, led to a demand for the appointment of a new, irreproachable official whose five months' service in ridding the city of its refuse was gratefully acclaimed by press and public. On his withdrawal a highly esteemed engineer was appointed to succeed him. A

week ago this gentleman, whose personal integrity no one has ever questioned, handed in his resignation, giving the familiar reason of "pressing private business."

The facts are that at no time in its history has the business of the department of street cleaning been more incompetently administered than during the incumbency of this esteemed engineer, but the facts are also that the same conditions that compelled incompetency on the part of the latest discredited department head had prevailed in greater or less degree during all these previous administrations, reform and reactionary alike. Investigation in progress has shown that not the commissioner, but subordinates occupying strategic positions, administered the department, who prevented information getting to their chief essential to exercising intelligence with respect to his official business. Appropriations have been exceeded, deficits incurred and improper charges made to the accounts, because the head of the department did not insist upon knowing what his subordinates knew and kept from him. These same subordinates have exercised this power during successive administrations, and it has only been when, in the normal cycle of events, conditions have become acute, that the head of the department has been sacrificed to appease popular wrath.

These facts the mayor now, for the first time, recognizes, and has resolved not only upon the appointment of a new commissioner, but upon a complete change in official personnel, and a thorough reorganization from top to bottom of the methods and habits of the department. The work of reorganization will be conducted by experts in the employ of the mayor's commissioners of accounts and the Bureau of Municipal Research and will be based upon a thorough study of the problems of the street cleaning department, methods employed and existing defects and abuses, against which provision must be made in the future.

The belief, hitherto almost universal, is fast losing ground, that mere change in personnel will effect any permanent improvement in the conduct of public affairs. Indispensable to such improvement is the substitution of effective processes for wasteful methods, of businesslike practice for confusion, plus intelligence which must not only be intelligence available to the administrator, but through published reports available to citizens; for example, to make such intelligence respecting the affairs of the department of street cleaning continuous, it will be necessary first to establish

records which develop facts descriptive of the work of the department, and by means of which its expenditures may be contrasted with results. The Bureau of Municipal Research is first to recognize that no installation of improved records and methods of administration will be automatically effective unless there is joined with such reorganization continuous publicity and a periodic test of the efficiency of the department. A recurring opportunity for the application of this test exists in the making of a municipal budget.

A municipal budget is potentially a solemn determination of the scope and effectiveness of municipal activity during the period to which it applies. In fact, municipal budgets have in the past been a means of legalizing misdirected energy, confusion and waste in the conduct of municipal business.

In 1906 the budget of the city of New York was by more than one hundred millions the largest municipal budget in America, and it ranked second to none in the obscurity of its provisions. In 1909, New York City's budget, while still first in magnitude, is likewise first in clarity and precision of its specifications. If it still continues to provide for unnecessary expenditures, it also makes possible determination where those expenditures are unnecessary. It provides for every specific governmental function a specific appropriation, and for each specific appropriation it determines the number of employees which may be carried on the rolls, and their rates of compensation and the classes of supplies and materials which may be purchased. In 1906 it was impossible to tell the purposes, even along broad lines, of departmental appropriations. Salary and supply accounts were confused, and to a department conducting thirty or fifty specific functions, appropriations under eleven or fifteen general headings were made, bearing no relation to these activities. The reorganization effected during the past three years in the budget methods of the city of New York has laid the foundation for complete reorganization of the business methods of the city, for rigorous enforcement of responsibility of officials, for the measurement of results with expenditures, for the location of waste, and for interesting the public in facts and problems, instead of guesses and promises respecting the conduct of its common business.

The principle upon which New York City's budget has hitherto been voted was to estimate in October of one year the tax-producing capacity of the taxpayers in the calendar year next succeeding, and then to apportion the estimated product amongst the hundred or

so departments receiving support on the basis of last year's appropriations, modified by accidents of personal or political influence of department heads, or statutory requirements. To the borough presidents, for example, as voting members of the appropriating bodies and at the same time heads of administrative departments, annual increases were granted, not upon the basis of need, but in accordance with the political influence and legislative weight of the borough head. The department of health, on the contrary, received admittedly insufficient appropriations on the assumption that its necessities could be provided for through supplementary appropriations payable out of the taxes of the year following. This practice made impossible the formulation of an annual program for health work at the beginning of the year, and resulted in unsystematic and ill-regulated conduct of health activities. The estimate of the department of health, like the estimate of every other department submitted in 1906, requested appropriations for the various activities under its jurisdiction in amounts far in excess of expected allowances, on the theory that it was wise to provide a generous margin to offset an arbitrary horizontal cut. Specious and unconvincing arguments were advanced in favor of increases requested, and the only basis for judgment provided was a statement of the force employed as of the 30th day of June last, which every one assumed to be purposely inflated, and a broad estimate of the expenditures for the year in supply accounts. The budgetary estimate of the department made up a formidable document which together with the other departmental estimates were bound in a large unwieldy volume, published in limited numbers, and made available to the public a day or two prior to action upon them by the board of estimate and apportionment. The head of the department was expected to appear before the board of estimate and apportionment early in October to justify his requests. It may be that his budget the year before amounted to one million or five millions of dollars, and he was asking for next year two millions or eight millions, as the case might be. No member of the board had given more than a casual glance at his estimate, perhaps he had not seen it himself, inasmuch as it was prepared by a clerical subordinate, designated for the task because of his ability to paint the achievements of his superiors in glowing terms, and to evolve ingenious estimates of next year's necessities. With a brief speech by the department head, in which he expressed his conviction that unless the full amount requested by him were granted, the

business of the department would practically come to a stop, and a laudatory or otherwise irrelevant comment by members of the board on the official's activity, the estimate was submitted to expert budget pruners, who had to prepare a tentative allowance for formal adoption. The process they employed was to apportion on a percentage basis, pro rated, in accordance with last year's appropriations, the estimated increase in the tax product. If the department of health received \$1,500,000 in 1906, and there was to be an estimated increase of \$10,000,000 in the tax product, and the health appropriation last year was one per cent of the total budget, the increase to be allowed the health department was fixed at approximately \$100,000.

While this method of budget making was in progress by a committee who had not heard the eloquent address of the department head, taxpayers were invited to appear before the board and to express their views as to what the departments should receive. Few taxpayers had the temerity to appear for cross-examination by the fiscal officers as to their rights to an opinion, because opinions were difficult to acquire and more difficult to substantiate. If the taxpayer assumed that appropriations were to be granted in support of specific activities, he found that last year's budget did not show, for example, how much the health department had received for contagious disease inspection, sanitary inspection, food inspection, or for any other important division of its work; nor was there any means of telling from a departmental estimate, or from any published report, what these activities had cost in any year. To urge an increase for any of these purposes, therefore, would be to accept the assurance of the department head that an increase was necessary, or to act upon the principle that the city's business must always cost more next year than last. Philanthropists and social workers urged on general principles increases for the so-called social departments of education, health, charities, hospitals and tenements. Now and then an aggrieved taxpayer protested against any increase for any purpose whatsoever. "A gabfest" was the official designation of taxpayers' day prior to 1909, because every one was assumed to be talking about affairs concerning which he had no knowledge. A hearing of an hour and a half on a budget of \$130,000,000, representing a program for one hundred different governmental agencies employing upwards of fifty thousand men and women, and affecting millions of lives, concluded the taxpayer's participation in budget making. His appearance was ignored by the budget pruners, to



whom taxpayers' day represented merely an extension of time for their labors.

After this pretense of hearing evidence, executive sessions were held by the board of estimate and apportionment, in which additional reductions or increases were made by rule of thumb and log rolling, and finally appropriations were adopted by formal resolutions. Thereafter the instrument was transmitted to the Board of Aldermen, who may not increase, but may reduce the items in the budget. Again heads of departments were heard and a few taxpayers listened to with the result that a few reductions were made on the assumption that allowances granted were excessive. A veto by the mayor reestablished as the budget the appropriations originally adopted by the board of estimate and apportionment.

The appropriations as finally made were so expressed as to make it impossible for a department head to learn which of his requests had been granted and which denied, whether increases in salaries asked for had been authorized or new positions allowed. The consequence was that the budget, usually representing an increase in the appropriations over those of the year before, gave wide scope and liberty to the department head to utilize his resources in any way he saw fit, with the confident assurance that he never would be called to account to explain results produced from expenditures. This then was the process of budget making in 1906:

1. Submission by department heads in mid-summer of an estimate of expenditures for the fiscal year beginning on the following January, based upon inaccurate records of expenditure for the first six months, and more inaccurate guesses for the second six months.

2. Tentative allotments of appropriations by pro rating increases on the basis of last year's allowances, without regard to departmental needs or costs of service rendered; pretense of taxpayers' participation in the deliberations of the financial board, grants placing a premium upon extravagance and waste; a process described by the present comptroller as "farcical confusion."

The Bureau of Municipal Research began in 1906 an effort, which continued through the next two years, to make possible an honest statement of needs in departmental estimates; intelligent advocacy and explanation of their requests by department heads; intelligent criticism and analysis of departmental estimates by the fiscal authorities; and intelligent participation in budget discussions by press, citizens and taxpayers.

The first step taken was to analyze, with the consent and coöperation of the health officers, the expenditures of the Department of Health for the year 1906, according to its functional activities. This proved impossible with respect to the expenditures for supplies or supplies consumed, because there were no records of distribution. In the matter of pay-rolls, the process of analysis involved a complete rewriting of the department's records. Each of the five or six hundred employees was traced day by day or week by week back through his various employments during the year, and a statement prepared showing as accurately as this or any other process would permit the actual pay-roll expenditures on account of each of the departmental functions.

This analysis proved a revelation to the health officers. Whereas they had assumed that all charges to an appropriation were for the purposes of that appropriation, they now learned that the kind of work a man did had not been a guide in determining the account to which his salary was to be charged. For example, the department had reported in its estimate that it had employed in 1906 one hundred inspectors in making medical examinations of school children. The analysis showed that the average number actually so employed were about sixty. The remainder had been quietly abstracted from time to time to work in other divisions although their salaries continued to be charged to the school children's account.

This analysis was presented to the board of estimate and apportionment on taxpayers' day, with the proposition that in making up the budget for the health or any other department, the first necessary step was to learn the things the department had to do, what it had cost to do them during the past year, how much had been done, and how much more it expected to do next year. The Bureau said "obviously there will be more to do, because the department reports 27,000 lives lost last year from what they call preventable disease." The proposition was first called academic by the mayor, and then good sense by the comptroller. A representative of the Bureau was asked to confer with the real budget makers behind the scenes. The conference was held, and because the Bureau was able to point out the payroll cost of each activity during the current year, it prevented the time honored arbitrary reduction and secured an increase of half a million dollars over the appropriation for health work for the year before.

It was next suggested that the city do for every department what

had been done for the health department, namely, establish a functionally segregated budget, showing, as the comptroller described it, "what's what." The board of estimate and apportionment resolved to undertake the work and passed the job along to the comptroller. Six months later the Bureau inquired how the segregation was progressing, to learn that the work had not yet been begun on the functionalizing of department expenses. The result was that the comptroller asked the Bureau to help, and it has been helping ever since.

A conference committee was formed consisting of representatives of the Bureau and the comptroller's department. Under its direction, and after six months of analysis, a completely functionalized budget was prepared for every major department of the city government. The next step was to devise and install accounts in the department which would develop the information of cost and expense continuously and accurately, which could then be only approximated by a process of costly analysis. The Bureau devised a standard system, secured the comptroller's approval, and an order for installation in four departments on January 1, 1908. When the work of installation began the comptroller found himself without an adequate technical staff to prosecute the work. The Bureau placed its employees at his disposal, and supervised the installation. The next step in putting the city on a business basis, was to reorganize the comptroller's office as the central business office, so that it could in fact, as well as nominally, control the receipts and disbursements of the city. The Bureau studied the problem and prepared a plan. After first submitting it to three leading accounting houses, it was submitted to the comptroller, who adopted it as his plan of reorganization. He then proceeded to organize in his own department a staff of 12 expert accountants, nominated to him by leading public accounting houses. This staff, together with experts from the Bureau, under the supervision of the joint committee, is reorganizing the business methods of the city from top to bottom. The work of reorganization will not be completed this year, or next year, or the year after, but already significant improvements have resulted.

The Bureau had devoted a considerable part of its energies to constructive work. But as a basis for this constructive work, it conducts, continuously, investigations not only of the methods employed, but the results secured by city departments. Its first important study of this character led to the removal by the governor of a

borough president, and to the revival and reorganization of the official investigating branch of the city government, the commissioners of account, whose two hundred thousand dollar payroll prior to 1907 had been used to harbor political incompetents, and to manufacture whitewash for departmental waste and official misfeasance.

Similar investigative studies have led to various official retirements, and to conclusive evidence of the existence of enormous waste in the conduct of the city's affairs. Through the budget the Bureau has begun to secure recognition of the extent of this waste, as for example by bringing about reductions in the appropriations of two borough presidents, in one case by an amount of \$225,000 below the allowance for the year before—an unprecedented happening.

The Bureau finds of no peculiar significance and takes no special interest in the mere fact that enormous waste occurs in the conduct of municipal business, but it is keenly interested in the fact that community needs are not filled, that funds for purposes of education are insufficient, that health work is neglected, that death, disease, distress, ignorance and crime are increased as a direct consequence of this waste. For this reason it is actively engaged in co-operation with public officials, legislative committees and charter commissions in devising methods of preventing or reducing waste through graft, incompetence or clumsy methods, to the end that all resources of the community may be employed to promote the beneficent, coöperative activities of the community.